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November 25, 2002

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 – 12<sup>th</sup> Street, S.W., Room TW-A325  
Washington, DC 20554

Re: American Association of Paging Carriers (AAPC) – *Ex Parte* Presentation  
CC Dockets 96-45, 98-171, 90-571, 92-237, 99-200, 95-116 & 98-170

Dear Ms. Dortch:

As part of its deliberations on changes to the method for assessing universal service contributions, the Commission is considering proposed changes to the interstate “safe harbor” allocation for wireless carriers. CTIA has agreed that the safe harbor should be “reexamine[d]”, based on data suggesting that the percentage of interstate traffic carried by broadband CMRS providers ranges from 10% to 28.5%,<sup>1</sup> while Arch has argued that the safe harbor for paging carriers should not be increased beyond the existing 12%.<sup>2</sup>

AAPC respectfully submits, however, that if any modifications are made to the wireless carrier safe harbor, it is not enough for the Commission to simply leave it alone as applied to paging carriers. Rather, in such case the Commission properly should do *complete* justice to wireless carriers, and thus should reduce the safe harbor to 1% for non-nationwide paging licensees.

In its comments filed on April 22, 2002, AAPC pointed out at some length that the existing 12% interstate safe harbor allocation is grossly excessive for local and regional paging companies that now serve more than half of total industry units.<sup>3</sup> AAPC further pointed out that if the Commission modifies the contribution structure, it should establish the new contribution at the equivalent of a 1% interstate allocation for at least the non-nationwide paging carriers.<sup>4</sup>

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<sup>1</sup> CTIA *et al.* *Ex Parte* Presentation (25 October 2002).

<sup>2</sup> Arch Wireless Operating Company, Inc., *Ex Parte* Presentation (31 October 2002).

<sup>3</sup> AAPC Comments at pp. 3-5.

<sup>4</sup> *Id.* at pp. 5-10. Non-nationwide paging carriers are those carriers that do not hold a nationwide paging license. Paging carriers with nationwide licenses are a readily identifiable subgroup of the paging carrier industry.

AAPC understands that the Commission now is most actively considering relatively minor modifications to the current revenue-based contribution structure, in lieu of the connection-based structure proposed in the NPRM. As part of these modifications, AAPC also understands that the Commission is contemplating an increase in the safe harbor for wireless carriers to deal with the technology migration problem identified in the NPRM.<sup>5</sup>

In its October 31 *Ex Parte* presentation, Arch has correctly pointed out that the increase in the safe harbor suggested jointly by CTIA and others has absolutely no relevance to paging carriers, and AAPC agrees with Arch that there is no justification whatsoever for *any* increase in the safe harbor applicable to paging carriers. AAPC disagrees with Arch, however, that the Commission should simply leave unchanged the safe harbor for paging carriers.

If, departing from the capacity-based contribution proposal outlined in the NPRM, the Commission simply is going to try to *rationalize* the wireless safe harbor as part of this proceeding (rather than eliminate the need for it, which the NPRM proposal would do), then the Commission properly should rationalize the safe harbor for the *entire* wireless carrier industry and not just pick and choose among certain elements within the industry. The 12% safe harbor has been excessive for local and regional paging carriers since it was adopted in 1998. Therefore, if the safe harbor is going to be modified for some of the wireless carriers to properly reflect current realities, then it similarly should be modified for *all* wireless carriers to properly reflect current realities. In the case of the non-nationwide paging carriers, that means the interstate safe harbor allocation should be reduced to 1%, the same benchmark heretofore established for analog SMRS licensees.

Respectfully submitted,

AMERICAN ASSOCIATION OF  
PAGING CARRIERS

By: s/ Kenneth E. Hardman  
Kenneth E. Hardman

*Its Attorney*

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<sup>5</sup> In addition to CTIA acknowledgement that the safe harbor should be reexamined, CoSUS has suggested in an *Ex Parte* Presentation filed November 19, 2002, that the wireless safe harbor should be increased to “40% of a carrier’s total end-user telecommunications revenues”.